STATE OF SOUTH CAROLINA  (Caption of Case) Petition of Office of Regulatory Staff to Establish Dockets to Consider Implementing the Requirement of Section 1251 (Net Metering and Additional Standards) of the Energy Policy Act of 2005			) ) BEFORE THE ) PUBLIC SERVICE COMMISSION ) OF SOUTH CAROLINA ) ) COVER SHEET ) ) DOCKET ) NUMBER: 2005 - 385 - E				
(Please type or print Submitted by:	Stephanie U. F		SC Bar Num				
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Emergency R	elief demanded in	DOCKETING INFO			y) a's Agenda expeditiously		
INDUSTRY (Check one)		NAT	NATURE OF ACTION (Check all that apply)				
⊠ Electric		Affidavit	Letter		Request		
☐ Electric/Gas		Agreement	Memora	andum	Request for Certificatio		
☐ Electric/Telecommunications		Answer	☐ Motion		Request for Investigation		
☐ Electric/Water		Appellate Review	Objection	on	Resale Agreement		
☐ Electric/Water/	Telecom.	Application	Petition		Resale Amendment		
☐ Electric/Water/S	Sewer	Brief	Petition	for Reconsideration	Reservation Letter		
Gas		Certificate	Petition	for Rulemaking	Response		
Railroad		Comments	Petition f	for Rule to Show Cause	Response to Discovery		
Sewer		Complaint	Petition	to Intervene	Return to Petition		
☐ Telecommunica	ntions	Consent Order	Petition t	to Intervene Out of Time	☐ Stipulation		
Transportation		Discovery	Prefiled	Testimony	Subpoena		
Water		Exhibit	Promoti	on	☐ Tariff		
☐ Water/Sewer		Expedited Consideration	on Propose	d Order	Other: Letter and COS		
Administrative Matter		Interconnection Agreeme	nt Protest				
Other:		Interconnection Amendm	ent Publishe	er's Affidavit			
		Late-Filed Exhibit	Report				



ATTORNEYS AT LAW

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September 30, 2013

## Via SCPSC E-FILING DMS

The Honorable Jocelyn G. Boyd Chief Clerk/Administrator Public Service Commission of South Carolina 101 Executive Center Drive Columbia, SC 29210

Re: Petition of Office of Regulatory Staff to Establish Dockets to Consider Implementing the Requirements of Section 1251 (Net Metering and Additional Standards) of the Energy Policy Act of 2005

Docket No. 2005-385-E

Dear Ms. Boyd:

Please find attached for electronic filing with the South Carolina Public Utility Commission ("Commission") a copy of the SCPSC Docket Coversheet and a Petition to Intervene and attached Comments on behalf of Wal-Mart Stores East, LP and Sam's East, Inc. (collectively, "Walmart") in the above-referenced matter. All parties have been served a copy of this document in accordance with the attached Certificate of Service.

Please contact us if you have any questions concerning this filing.

Sincerely,

SPILMAN THOMAS & BATTLE, PLILO

Stephanie U. Roberts (SC Bar No. 80073)

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Counsel to Wal-Mart Stores East, LP and Sam's East, Inc.

SUR/Ihi Enclosures

## STATE OF SOUTH CAROLINA BEFORE THE PUBLIC SERVICE COMMISSION DOCKET NO. 2005-385-E

IN RE: Petition of the Office of Regulatory	)	PETITION TO INTERVENE OF
Staff to Establish Dockets to Consider	)	WAL-MART STORES EAST, LP
Implementing the Requirements of Section 1251		AND SAM'S EAST, INC.
(Net Metering and Additional Standards) of the	)	
Energy Policy Act of 2005	)	

Pursuant to Rule 103-836 and other applicable rules and regulations of the South Carolina Public Service Commission ("Commission"), Wal-Mart Stores East, LP and Sam's East, Inc. (collectively, "Walmart"), by its attorneys, respectfully requests that the Commission permit it to intervene and become a party in the above-captioned matter and that the Commission accept for filing and consideration Walmart's "Comments," attached as Appendix A to this pleading in conformity with the Commission's directive of August 7, 2013. Walmart understands that such Comments are to be filed by "parties" to this docket and therefore submits this Petition to Intervene, and in support thereof, Walmart submits as follows:

- 1. On December 12, 2005, South Carolina Office of Regulatory Staff ("ORS") filed a Petition to Establish Dockets to Consider Implementing the Requirements of Section 1251 (Net Metering and Additional Standards) of the Energy Policy Act of 2005 ("Petition").
- 2. On August 7, 2013, the Commission set forth a schedule requiring the filing of "written assessments" on September 30, 2013, from the parties in this case.

- 3. Walmart is a national retailer of goods and services throughout the United States. Walmart's principal office is at 2001 SE 10<sup>th</sup> Street, Bentonville AR 72716-0550. Walmart has the privilege of providing its retail services in the State of South Carolina. In so doing, Walmart is a large commercial consumer of electricity with approximately 75 facilities in South Carolina that are served by South Carolina Electric & Gas Company ("SCE&G"), Duke Energy Carolinas, LLC ("Duke"), and Duke Energy Progress, Inc. ("Progress"), which include Walmart Supercenters, Sam's Clubs, and gas stations. Walmart purchases more than 400 million kWh annually in South Carolina. Electricity is one of the single highest operating costs faced by Walmart. Walmart also is committed to substantial investment in solar photovoltaic and other on-site generation. Walmart therefore has an interest in net metering and related standby service issues, parameters, and rates. Thus, Walmart, as a large commercial customer with multiple facilities, has an interest in this matter that is not represented by any other party.
- 4. In addition, Walmart has learned that some electric utilities in the state may not currently provide service parameters that capture, for example, the size and capacity of on-site renewable facilities that Walmart would consider, and questions exist regarding related standby service rates and net metering. See, e.g., Direct Testimony of Steven W. Chriss, p. 13, Docket No. 2013-59-E. The issue came to light in the most recent Duke rate case at Docket No. 2013-59-E, and, in fact, Duke witness Jeffrey R. Bailey confirmed on the stand at the hearing on July 31, 2013 (in response to an inquiry from Commissioner Randall), that Duke was willing to work with Walmart and other interested parties to address these issues. It is for this principal reason that Walmart now intervenes, as this proceeding would provide an ideal opportunity to examine these issues.

5. In addition, Walmart believes that there may be a divergence of treatment between Duke, Progress, and SCE&G as it relates to net metering and standby service rates as discussed in the attached Comments, and such inconsistencies may also be germane to this docket.

6. Walmart believes that this docket provides an opportunity for the Commission to further address these important issues, and Walmart further avers that its intervention in that regard would be informative to the Commission and other parties as reflected in its attached Comments.

7. The attorneys representing Walmart in this proceeding are:

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Ms. Roberts is authorized to accept service of papers in this proceeding on behalf of Walmart. Walmart also respectfully requests that Mr. Williamson be added jointly to the service list.

WHEREFORE, Wal-Mart Stores East, LP and Sam's East, Inc., respectfully request that it be granted leave to intervene and be made a party to the above-captioned proceeding, and that its attached Comments be accepted for filing and consideration by the Commission.

Respectfully submitted,

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Counsel to Wal-Mart Stores East, LP and Sam's East, Inc.

Dated: September 30, 2013

## STATE OF SOUTH CAROLINA BEFORE THE PUBLIC SERVICE COMMISSION DOCKET NO. 2005-385-E

IN RE: Petition of the Office of Regulatory	)	<b>COMMENTS OF</b>
Staff to Establish Dockets to Consider	)	WAL-MART STORES EAST, LP
Implementing the Requirements of Section 1251		AND SAM'S EAST, INC.
(Net Metering and Additional Standards) of the	)	
Energy Policy Act of 2005	)	

Wal-Mart Stores East, LP and Sam's East, Inc. (collectively, "Walmart"), hereby submit these Comments in response to the South Carolina Public Service Commission's ("Commission") directive issued August 7, 2013, seeking "written assessment of ... experience[s] with net metering" in the last few years.

Although Walmart has not heretofore participated in this docket, Walmart is actively engaged in efforts to reach its aspirational goal of being supplied by 100 percent renewable energy. Walmart currently has approximately 250 renewable installations operational, producing over 220 million kWh annually.

Walmart has the privilege of providing its retail services in the State of South Carolina. In so doing, Walmart is a large commercial consumer of electricity with approximately 75 facilities in South Carolina that are served by South Carolina Electric & Gas Company ("SCE&G"), Duke Energy Carolinas, LLC ("Duke"), and Duke Energy Progress, Inc. ("Progress"), which include Walmart Supercenters, Sam's Clubs, and gas stations. Walmart purchases more than 400 million kWh annually in South Carolina. Electricity is one of the single highest operating costs faced by Walmart. Walmart also employs over 29,000 associates in

South Carolina. Additionally, in FYE 2013, Walmart spent over \$1.2 billion with in-state suppliers and supported over 20,000 supplier jobs. Also, as stated above, Walmart is committed to substantial expansion in solar photovoltaic and other on-site renewable generation. Walmart therefore has a significant interest in net metering and related standby service issues, parameters, and rates.

While investigating locations for additional sites for renewable energy, Walmart has learned that some electric utilities in the state do not currently provide service parameters that capture, for example, the size and capacity of on-site solar facilities in which Walmart would invest, and questions exist regarding related standby service rates and net metering. See Direct Testimony of Steven W. Chriss, p. 13, Docket No. 2013-59-E. In fact, in Duke's case at Docket No. 2013-59-E, Duke witness Jeffrey R. Bailey confirmed on the stand at the hearing on July 31, 2013 (in response to an inquiry from Commissioner Randall), that Duke was willing to work with Walmart and other interested parties to address these issues.

In that vein, an evaluation of Duke's South Carolina tariff reveals that it is unclear if customers investing in on-site generation of over 100 kW are captured by the applicable net metering tariff or if other standby service charges (under Schedule PG) might apply to a customer like Walmart. For example, on the Duke system, it is unclear how or whether standby service charges for large customers have been properly designed, especially for customers choosing to meter their on-site generation. For such customers, any standby demand (kW) rate should reflect a customer's actual demand, not demand ratchets or other "penalties" that have no relation to cost causation. A failure to adopt such a rate structure would act as a barrier to customer installation of on-site renewables.

As noted above, Walmart is in need of clarification of Duke's tariff treatment of on-site generation metering and the applicability of related standby service rates. Similarly, a review of

the Progress and SCE&G tariffs reveals similar uncertainty as to what provisions apply to on-site generation based on size and the validity of the design of standby service rates for metered on-site generation. Given Walmart's commitment to investment in on-site generation, clarity and consistency should be required.

Accordingly, Walmart submits that the Commission should further examine these issues in the context of a stakeholder workshop. Walmart suggests that a principal focus of that effort should be to evaluate and achieve consensus on consistent tariff treatment and rate design attendant to metered on-site generation of varying capacities, such that artificial barriers to customer installation are mitigated to the greatest degree possible.

Respectfully submitted,

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## STATE OF SOUTH CAROLINA BEFORE THE PUBLIC SERVICE COMMISSION DOCKET NO. 2005-385-E

IN RE: Petition of the Office of Regulatory		PETITION TO INTERVENE AND	
Staff to Establish Dockets to Consider	)	COMMENTS OF WAL-MART	
Implementing the Requirements of Section 1251		STORES EAST, LP AND	
(Net Metering and Additional Standards) of the		SAM'S EAST, INC.	
Energy Policy Act of 2005	)		

I hereby certify that I have this day served one (1) copy of the foregoing document upon the following parties to this proceeding via First Class Mail:

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Dated: September 30, 2013